

A Project of the USC Annenberg School and the University of Wisconsin

Testimony of Martin Kaplan Federal Communication Commission Broadcast Localism Hearing Monterey, California, July 21, 2004

Thank you for the opportunity to testify. My name is Martin Kaplan. I am an associate dean of the Annenberg School for Communication at the University of Southern California, where I direct The Norman Lear Center, a research and public policy center.

I would like to answer two questions about localism tonight.

What kind of job do the nation's local television stations do in covering political campaigns, especially local races? And if it is not a good job, what should be done about it?

My colleagues and I have been studying the political coverage on local television news since 1998. Our research reports can be found at www.localnewsarchive.org. In our most recent study, we collected top-rated early- and late-evening half-hours of news from a scientific sample of 122 stations in the top 50 U.S. markets. We analyzed more than 10,000 news broadcasts that aired during the last seven weeks of the 2002 campaign.

Here is some of what we found:

- Only 44 percent of those broadcasts contained any campaign coverage at all. In other
 words, almost six out of ten top-rated news broadcasts contained no campaign coverage
 whatsoever.
- Most of the campaign stories that did air were broadcast during the last two weeks of the campaign.
- Nearly half of the stories were about horserace or strategy, and not about issues.
- The average campaign story lasted less than 90 seconds.

- Fewer than three out of ten campaign stories that aired included candidates speaking, and when they did speak, the average candidate sound bite was 12 seconds long.
- Campaign ads outnumbered campaign stories by nearly four to one.

Of the campaign stories that did air, what kinds of races were covered? The answer is state-wide races, not local campaigns. Most of the coverage – 38 percent of the stories – focused on gubernatorial races, and 20 percent on U.S. Senate races. Potentially high profile statewide races, such as secretary of state or attorney-general, were the focus of just two percent of the stories. All told, 60 percent of the campaign stories on local news were about state-wide races.

By contrast, races for the U.S. House of Representatives made up only seven percent of the stories. Races for the state senate or assembly accounted for only three percent of the stories. Stories focused on regional, county or city offices made up only four percent of the stories. So even if you count a House race as a local election, only 15 percent of all the campaign stories in our national sample focused on local races.

Here in California, the 11 stations in our sample did markedly worse than the national average on covering local elections. Only nine percent of the campaign stories on top-rated California local news were about local races, including U.S. House races.

Size of station ownership group appears to make a difference. The 45 stations in our sample that are owned by large owners (with over 20 percent audience reach) carried a lower percentage of local campaign news than the national average, while stations owned by small- and mid-sized owners beat the national average. We were able to make head-to-head comparisons between stations with large owners and stations with small- or mid-sized owners in 22 markets; in 16 of them, stations with large owners provided less local campaign news than stations with small- or mid-sized owners.

l especially want to single out the Hearst-Argyle group. There were ten Hearst-Argyle stations in our national sample. On average, 40 percent of their campaign stories were about local races. On that measure Hearst-Argyle did more than two-and-a-half times better than the national average, and it did more than four times better than the California average.

Why did Hearst-Argyle do better? Why has Hearst-Argyle twice been the winner of the Walter Cronkite Award for Excellence in Television Political Journalism, which the USC Annenberg School and The Norman Lear Center administer? The reason, I think, is management commitment. Hearst-Argyle has decided that quality campaign coverage, and localism, are good for their communities, and that it can also be good for business.

But the Hearst-Argyle example is the exception, not the rule. The campaign coverage Americans get on the airwaves they own should not depend on good luck or good will. Voluntary standards were proposed by the Gore Commission in 1998. After years of deliberation, it urged stations to air at least five minutes of candidate-centered discourse a night on each night in the month before the election. How well did it work? In the 2000 election, we

studied 74 stations in 58 markets. Rather than five minutes of candidate discourse a night, the average station ran 74 seconds.

This year, a number of broadcast companies – including Hearst-Argyle, Belo, New York Times, Scripps, and Granite – have pledged to provide airtime for candidates in the fall campaign. But even if they all live up to that promise, they represent only six percent of the nation's television stations.

That brings me to my second question: what to do about the lack of political coverage, and the lack of localism, on local television news nationwide.

First, we need explicit standards of performance by local news. Stations promise to fulfill a public interest obligation in order to get their license. This nation needs to spell out what those obligations are, in law and in regulation. There are several responsible proposals for doing so, including the "Public Interest, Public Airwaves" petition supported by more than a dozen nonprofit organizations; the petition to the FCC by former FCC Chairman Newton Minow and former FCC General Counsel Henry Geller calling for broadcast coverage of local candidates; and the "Our Democracy, Our Airwaves Act" supported by Senate Commerce Committee Chairman John McCain.

Second, we need a way to know if stations actually meet those obligations. The public inspection files that the FCC requires stations to keep are useless for these purposes. It is not an onerous burden to require that stations record their public affairs programming and archive the rundowns of their news programs. I applaud the challenge to all local broadcast stations issued on June 14 by Chairman Powell and Senator McCain "to ensure they are providing local communities with significant information on the political issues facing the community." But who will know if stations rise to that challenge, or ignore it? There is no monitoring process in place to answer that question. Nonprofit funds to support independent studies like The Lear Center's come and go; why shouldn't the industry or the public pay for the data needed for oversight and compliance?

Third, we need to link stations' performance on the public interest obligation with the renewal of their licenses. The current postcard renewal system is a joke. If we believe stations must live up to the public interest promises they make, we must hold them accountable if they break them.

Last month, when the FCC issued the Notice of Inquiry that gave rise to these localism hearings, Commissioner Copps said this about enhancing political and civic discourse: "Here is an issue that demands action now, rather than another round of initial questions and comments. Study upon study depicts a bleak and depressing picture.... We have studies. We have comments. We don't have action.... The better part of good government here is to move ahead and act on those matters where we already have compiled a record or where the statute has long since told us to be about our job of protecting the public interest. That would benefit the public interest and, in the process, help the credibility of this agency, too."

I could not agree more. Thank you very much.

COMMENTS OF WARREN TRUMBLY PRESIDENT, COMMUNITY BROADCASTERS ASSOCIATION

Thank you for the opportunity to speak today. I am Warren Trumbly, President of the Community Broadcasters Association, (the CBA). We represent over 600 Class A and 2,000 low power television stations (LPTV stations). There about twice as many of these television stations as full power television stations. These stations are received over the air ways just like full power station on you your television set. The only difference is the amount of power we are allowed by the Commission. Our Class A stations are required to broadcast 3 hours a week of locally produced programming. We are the only service to have this requirement.

There are LPTV and Class A television stations in every television market in the country from New York City, Los Angeles and San Francisco to Hopkinsville, Kentucky; Kerrville, Texas, and Wenatchee, Washington. The Univision and Telemundo affiliates in Washington, DC are Class A stations. These 2600 plus stations represent the broadest spectrum of programming and the greatest diversity in ownership of any media. There are more minority owned and operated LPTV and Class A television stations than all other media combined.

Local ownership and local programming are the heart of our industry. In over 35 years of broadcasting, I have never worked with a better group of people than I have since becoming involved with the CBA. In light of what this task force is looking at, I say look to LPTV and Class A television stations as an example.

Just east of here is Fresno, where KJEO-LP, channel 32, is the only station airing high school football for the Central Valley. The station has received calls from coaches and parents, asking where the games are on television and calling the local cable company and even disconnecting their cable to receive the games over the air. KJEO-LP also televises local Triple A Baseball for the Fresno Grizzles and Fresno City College home basketball games. The stations' "New Business Showcase", features six new businesses in the Fresno area per show with no fees charged. Many of the owners have said without being featured on television they might not have made it and keep their business open.

My wife and I operated Class A stations in San Francisco and San Jose for over 10 years. We've had independent Spanish programming with a daily newscast from San Francisco's Fisherman's Wharf. We have also produced San Francisco 49er pre-season football in Spanish, and professional soccer in Spanish. We have also given free air time to all local and regional political candidates, and we had one hour a night of local news in Korean.

Full power stations offer DMA-wide service, but our stations focus on more specific demographic segments and narrower issues. We have stories of community involvement, where we have worked with the Mexican consul to return children who had been kidnaped by a family member and taken to Mexico. The Santa Clara Count Sheriff's office brought us a nanny and two very young children who were lost, they spoke no English. They had been riding a city bus all day trying to find where to get off the bus. Within 15 minutes of putting an announcement on, the nanny and children were reunited with the parents.

Mary Silver in Kerrville, Texas, with KVHC-LP is an example of localism. They are 70 miles outside San Antonio in a valley surrounded by hills so there is very little off air reception from the big San Antonio stations. They serve a community of about 25,000 people. They work with the local school system to produce Club Ed a thirty minute educational program, and they also telecast the local high school ball games. Mary told me the story of an elderly lady who was physically unable to attend the high school football games and climb the steps in the stadium. She called the station in tears, after seeing her son for the first time playing his trumpet in the high school band during the game. This is one of ten locally produced shows each week including a nightly half hour newscast for Kerrville. They are the only local emergency outlet in the community. Mary Silver is committed to her community. So committed, she has refinanced her home twice to be able to build and operate KVHC-LP, because the community needs the local attention from a local station.

Vernon Watson, in Panama City, Florida is another example of commitment to localism. Vernon is Vice President of the CBA, he is an African-American and is employed full time with the US Navy. On top of his full time job, Vernon owns and operates WBQP-CA, channel 12. He does significant local programming for the local African-American community.

Lou Zanoni, has the only television station in Trenton, New Jersey's state capitol. WZBN is a news station. To Lou it was only natural for the state capitol to have a television station, and there was a significant need for local news. Lou has also had to make personal financial sacrifices to build and keep WZBN on the air.

"WZBN-CA broadcast the very first missing child report of 7 year old Megan Kanka who was abducted and murdered by a pedophile neighbor. Megan Kanka's name was given to the federal law known as "Megan's Law".

When we talk about "Localism" and what is "Local", the best definition is an example. I believe these stations and the people provide a fine definition.

What can be done to increase localism? Here are five specific things the Commission can do. They are:

- 1. Give positive recognition of LPTV and Class A stations by the Commission. A kind word from the top will go a long way to encourage stations to do more local programming and community involvement. Frankly LPTV and Class A station owners and operators feel abandoned by the Commission. As an example, in the latest NOI from the Commission, LPTV only rated a footnote. You talk promoting low power FM all the time, but never low power TV. Is there any reason we should not feel orphaned?
- 2. Insure that LPTV's and Class A stations get a second channel for the DTV transition and that we are given the time and support from the Commission to complete the transition. The coming DTV transition will be costly and this investment needs to be protected by granting permanent status to the stations willing to step up and toe the local programming as required.
- 3. Provide a future and continuing opportunity for LPTV stations to transition to Class A as soon as possible. The coming DTV transition will be very costly and this investment needs to be protected by granting permanent status to the stations willing to step up and do the local programming as required.
- 4. Don't let anyone tell you that we are interfering with the full power DTV transition. That's just an excuse to get rid of local competition. LPTV stations are secondary, and Class A stations even though a permanent license must yield when a full power station can't get to digital any other way.
- 5. Change the definition of "local" programming, so that when we go to the state house to interview the governor, the program is not disqualified just because the state house is outside our community. And let us negotiate for exclusive program rights, as proposed in RM-10335, which the Media Bureau has sat on for three years with out any action.

In conclusion, of the hundreds of LPTV and Class A station licensees I've meet over the years they have all had one objective, to serve their local community. Localism is the heart and soul of LPTV and Class A stations. These people have hocked and given everything to fill the need in their communities for local service.

If you truly want more localism in the media, then LPTV should be promoted by the Commission and given incentives to do more.

Thank you for the opportunity to speak today we as an industry look forward to working with the Localism Task Force to provide more and better service to our communities.

COMMENTS OF
Ms. Delia Saldivar
Radio Bilingue, Inc.
KHDC-FM, Salinas – Regional Manager

Introductions:

My name is Delia Saldivar. I am a Mexican immigrant and resident of Monterey County, California. I am the manager of KHDC – FM, a Latino controlled public radio station in Salinas and part of Radio Bilingüe, Inc., a statewide network of 5 full-powered FM stations serving California, with affiliates across the United States, Mexico and Puerto Rico. KHDC currently has two paid staff members (myself and another Latina) and approximately 35 community volunteers. We broadcast 24 hours a day and 7 days a week with music and informational programming to benefit our community. We broadcast primarily in Spanish and also in Mixteco, Hmong and some English. We are a community-based station and guided by our mission to provide information and access to our community through the radio airwaves.

I wish to express my gratitude to the Commission for allowing myself and other community members to submit testimony on the important issue of industry deregulation.

Need For Ethnic Controlled Media Outlets:

There is a growing need by our diverse citizenry for ethnic controlled media in California and across the United States. Through my comments, I would like to focus particularly on how the Latino community in California and nationwide can utilize media outlets to address issues, such as health disparities, in a linguistically and culturally competent way.

A. Population Figures:

Currently, one-third (32%) of California's population is Latino. Over two-thirds (70%) of this population is of Mexican decent with 45% being foreign-born. The Latino population continues to be one of the fastest growing in our state. California's Latino population is expected to double between 1995 and 2025 and account for one-third of the nation's total Latino population. By 2025, Latinos are projected to be the largest race or ethnic group in California, comprising 43 percent of the population. According to the 2000 Census, some California Counties are already a majority Latino - as in Tulare and Imperial Counties. The majority of this population prefers to communicate in Spanish, and refers to Spanish as their primary language and their language of comfort. However, the number of radio outlets, commercial and noncommercial that are owned or controlled by Mexican-Americans in California is less than 0.10%, except for the Radio Bilingüe stations.

B. Health Disparities:

The radio airwaves should be used to benefit the public and to address pressing issues. One of these issues is health. The level of health disparities in the Latino community is shocking. Here are some statistics. Currently 1.2 million Latinos of Mexican ancestry in the United States have been diagnosed with diabetes. Latinos are almost twice as likely than non-Latino whites to die or become severely ill from diabetes. Latino women are twice as likely as non-Hispanic white women to develop cervical cancer and are far more likely to die from it because they are far less likely to receive routine pap smears. Cardiovascular disease is the leading cause of death among Latinos in California and nationwide. Nationally, Latinos are twice as likely to receive late or no prenatal care when compare to non-Hispanic whites. Lastly, in California, almost 1/3 of Latino children and 41% of non-elderly adult Latinos are uninsured. The majority of these individuals are of Mexican-origin.

C. Reliable and Culturally Competent Information:

As illustrated by the sobering statistics, the need for comprehensive and culturally competent health information is wholly apparent. The Latino population is unique in its information and cultural needs, and come from diverse traditional communities in Mexico and Latin America. Each of these communities of origin have their own customs, history and, in some cases, their own native language. For the majority of Latinos, English is not their language of preference. So, naturally, Spanish-language programming better serves our community.

At our station, we broadcast programs and short messages that inform our Spanish-speaking listeners about ways to better care for themselves and their children. Media outlets and the radio industry can provide the outreach necessary to turn the statistics around. The need for reliable information from local sources continues to grow as the demographics of this State and the nation shift.

Consequently, as the need for reliable information grows, so has the consolidation of the media outlets. This consolidation includes Latino Spanish-language services such as the purchase of Hispanic Broadcasting Corporation (HBC) by Univision last year and the acquisition of Telemundo (the 2nd largest Spanish-language TV network) by NBC. The Spanish language corporate media offers less information to our communities, less cultural programming, and virtually no local informational programming. The corporate Spanish radio industry is increasing its broadcast of its own version of "shock radio" and liberally broadcasts music that glamorizes drugs and violence to increase their ratings. Unfortunately, in many markets, especially urban California markets; there is no Spanish language public radio service to provide an intelligent alternative for listeners.

Exclusion on the Radio Airwaves:

Simply stated, due to weakened regulations in the industry, a large segment of the population is being excluded from effective radio service. The current stakeholders who are media conglomerates do not represent or produce programming to address the needs of the growing majority of Californians and Latinos across the nation. We urge the FCC to examine closely the actual demographics of our State and of our nation, and

investigate whether or not the current situation provides equal access to linguistic or cultural minorities. After all, aren't these airwaves meant to serve the public?

Thank you for considering my comments.

Statement of Kathy Baker
Executive Vice President/
General Manager
Buckley Radio
KWAV 97FM - KIDD 630AM

Good evening Commissioners, Ladies and Gentlemen. I am Kathy Baker Executive Vice President of Buckley Radio and General Manager of KWAV 96.9 FM and KIDD 630 AM here in Monterey.

l am pleased to be here tonight speaking about how broadcasters serve their local communities and how my stations in particular fulfill that role.

I have been involved with local media in the Monterey market for over twenty-four years. I have been the General Manager at KWAV for sixteen years and KIDD for nine years. In addition to my duties as General Manager in Monterey I am the Executive Vice President for Buckley Radio overseeing stations in California. I was the chairman for the California Broadcasters Association in 2003.

KWAV and KIDD are privately owned. Our parent company Buckley Radio owns ten stations in California and nine stations on the East Coast. This in many ways translates to answering to "Main Street" not "Wall Street". The company's philosophy has always been to be involved in local communities. At my stations we invest in enough personnel and resources to keep that mission alive and we believe that it is just smart business and what the community looks for in their local radio stations. Being local creates a relationship with the audience and therefore makes for a successful business. It is not only the right way to be but the smart way to be.

I was born on the Monterey Peninsula and you don't get any more local than that. My concern for the community and our radio audience carries over to my personal philosophy in running a radio station and the things that are important to the people that live and work in this community. When Buckley radio purchased radio station KIDD it had been off the air and the owners had gone bankrupt. In 1994 we launched a nostalgia music format offering a style of music and information not previously available in the market. Over the last nine years KIDD has offered an outlet for local musicians to showcase their music. We have a program which runs every week called "Call On The Arts" which features a local musician, music teacher or music program. We also have a show called "Central Coast Swing" which is dedicated to promoting local musicians, their venues and their recordings. We have our own local band called the Magic 63 All

Star Band which is made up of all local musicians. Throughout the week we will highlight and give airplay to local acts and put on our own Summer Music Festival each year with local musicians. Our annual Summer Music Festival is free to the public.

Both KWAV and KIDD feature locally generated newscasts along with CNN and NBC national news, public affairs programming, public service announcements in addition to our sponsored community events and our music formats. We are heavily involved in our local community, working side by side with non-profits, governmental agencies, city governments and government officials to get their message out over the airwaves. The following are just a few of the organizations we have been involved with.

Children's Miracle Network:

Over the last two years KWAV and KIDD have been responsible for raising over \$160,000 for a local non profit, Children's Miracle Network. This is an organization that benefits numerous local organizations related to children's health and well being. We ran over 80 hours of live programming during a radiothon consisting of live interviews with local non profits and health workers from various local programs along with giving out a phone number to call to donate funds. The entire KWAV and KIDD staff was involved in this effort.

Jazz Masters:

Jazz Masters is a music and education program dedicated towards teaching music to the youth in our area. Working closely with director Bruce Foreman we are able to get the word out about his events and workshops in our area. Bruce is a frequent live in studio guest on our stations and we have assisted him in many of his fund raising efforts including recent coverage of his trip across the United States called the "Route 66 Challenge". Bruce and his band raised money for Jazz Masters by traveling the original Route 66 and played music along the way to raise funds. We covered his travels live and on our website over a two week period of time.

Big Brothers Big Sisters:

KWAV and KIDD work closely with Big Brothers Big Sisters of Monterey and Santa Cruz Counties helping with their fundraising efforts on their Bowl for Kid Sake events. We feature live interviews with the directors and our on air staff participates in this bowling event. We produce and run live announcements publicizing their events and programs. We also sponsor their Day and on Bay Regatta which is a sailing event to raise money for their programs. These events feature live on air interviews as well as coverage several weeks out of each event.

Food Bank of Monterey County:

We assist the Food Bank of Monterey County in their mission to help build awareness and elimination of hunger in Monterey County. We do this by getting

involved during the Holidays in their food drives by offering live on-site distribution points and recorded and live announcements promoting the need for increased donations. We do live on air interviews with the Food Bank educating the public on food drop off locations and getting the word out about what their organization does.

Hospice:

During December KWAV and KIDD are involved in the Hospice Tree lighting ceremonies in Monterey Salinas and Hollister. Our announcers broadcast live from each location to light three different trees simultaneously. This event is preceded by several weeks of announcements educating our listeners on Hospice programs and how to purchase a light for the trees to raise funds for the program. For the past fifteen years we have helped them to raise awareness and over \$80,000 in donations.

City of Monterey:

For twenty years we have sponsored and assisted the City of Monterey in their efforts to put on a safe entertaining Fourth of July. We run public safety tips as well as recorded and live announcements about the event. We also provide a 20 minute musical synchronized sky concert for the fireworks show. Our on air staff participate in the day and evening activities.

Meals on Wheels, Alliance on Aging, SPCA, City of Seaside, Monterey Public Library, Monterey County Aids Project, American Cancer Society, The American Red Cross and the Monterey Museum of Art are just a few of the organizations we work with. Our active memberships in the Monterey Peninsula Chamber of Commerce, Salinas, Pacific Grove, Capitola, Carmel Valley, Santa Cruz and Aptos Chambers help in our outreach in the communities to target the needs and interests of our listening audience. Obviously there are many more organizations we work with too numerous to mention them all. We have an active participation of staff members volunteering their time as an announcer for an event or as on site help.

I thank you for the opportunity to speak here tonight. I understand your need to reach out to the local communities and get the public's feedback on the job we are doing. I can proudly say I feel we have done our job well. This is the place I have chosen as my home and running a business that also supports the local community is the bonus.

I would be happy to answer any questions. Thank you.

TESTIMONY OF

JOHN CONNOLLY

I want to express my appreciation for the opportunity to address you this evening. In seeking broad public participation in the discussion surrounding this critical public policy issue, however belatedly, you are acknowledging the tremendous challenge faced in balancing the corporate hunger for deregulation against society's right to demand that the public airwaves be used to serve and protect our local communities, our artistic communities and the free flow of information that underpins our democracy. There can be no doubt that localism and the public interest are inextricably linked. In my role as President of the American Federation of Television and Radio Artists (AFTRA), I will attempt to adequately articulate the grave concerns our nearly 80,000 members who work in this industry – more than 40,000 in California as Newspersons, Disc Jockeys, Announcers, Sound Recording Artists and Performers - have about the continued erosion of a regulatory framework in the broadcast industry.

l submit that the central question to be answered in this process is whether market-driven forces can ever offer sufficient protection to the needs and interests of local communities and individual artists, or whether an unregulated marketplace will ultimately sacrifice the free exchange of ideas representing diverse points of view on the altar of the corporate bottom line.

AFTRA, along with CWA-TNG, NABET and WGA East, recently conducted a survey of a broad cross section of print and broadcast news professionals and the results were quite informative. Notwithstanding the seismic shift in their industry and the commensurate threat to their livelihood, this group of workers overwhelmingly expressed concern, not about their self-interest, but rather, about the loss of integrity and diversity in news coverage as a result of industry consolidation. Those surveyed overwhelmingly cited an increased emphasis on the bottom line, the declining quality of community coverage, too little focus on complex issues and the ever-growing influence of ratings or circulation on coverage and programming.

When asked to predict the likely impact of further deregulation, 80% noted that it would likely be negative:

- ❖ 86% cited less diversity of viewpoints in local news coverage
- * 86% thought control of news and programming decisions would be concentrated in too few corporate hands
- 79% predicted growing corporate bias in the news, and
- * 78% feared a general, continuing decline of news quality

75% of those surveyed have worked in the media field for more than 10 years and more than 50% have been affected directly by changes in ownership due to consolidation within the past five years.

One might conclude that these results are evidence of little more than fear of change among unions and their members, but I submit that there are a number of concrete decisions being made in corporate boardrooms throughout this nation that give credence to all of the concerns raised. I'd like to cite a few examples tonight.

Voice Tracking—Local Radio From Far Away: One of the most insidious byproducts of media consolidation is the practice of "voice-tracking" entire air shifts. Clear Channel, the largest group owner of radio stations in the United States, records hundreds of air shifts in remote locations, splices in music, adds generic recorded calls from listeners – often from other markets - and passes the result off as live, local programming. Up to 70% of Clear Channel's radio broadcasts are voice-tracked, including many throughout California including some in major markets such as Los Angeles and San Francisco. In smaller markets, which arguably house even fewer outlets, voice-tracking is more prevalent. The end result – no local flavor, no local input, no local jobs, no local coverage and no local connection. It is axiomatic that these practices do not serve local communities.

Central Casting—the Television Equivalent of Voice Tracking: Sinclair Broadcasting Company recently announced a business plan that would eliminate local production of news and weather. As a cost cutting strategy in markets like Dayton, Ohio, and Flint, Michigan, Sinclair has already eliminated locally-produced weather reports. Now, instead of weather reports that originate locally, many Sinclair-owned stations will air weather reports from a weather center at corporate headquarters in Baltimore, Maryland. In the event of a weather emergency, local stations won't have meteorologists on staff who are familiar with local geography or who can respond to inquiries that come into the station - leaving communities without any viable source of information or guidance. Apparently, central casting is soon to be implemented at Sinclair's KOVR in Sacramento. One can only imagine how the emergency scenario plays out when local news is "covered" similarly.

As group owners like Clear Channel and Sinclair acquire additional stations and apply their "efficient" business models across the country, the damage could prove irreversible. As consolidation of media ownership increases, the local community's access to diverse sources of news and information decreases. Where a community once received its news and public affairs programming from a number of different outlets, media conglomerates now seek ways to reuse, recycle and repurpose the same editorial content for broadcast on all of their radio and television stations, to print in their newspapers and to post on their websites. In certain cases, various outlets utilize virtually identical content, produced from one assignment desk, under the management of one general manager, one news or program director and with, essentially, one overall editorial viewpoint. For example, Telemundo and NBC now often work from the same assignment desk. They then share content with MS/NBC as well as Newsweek and the Wall Street Journal. Notwithstanding the fact that these reports may appear on a number of distinct stations, newspapers or websites, the content and editorial perspective is indistinct. The same outcome is triggered when multiple stations in a single market outsource their news functions to

the same entity, which provides generic content, delivered by a number of different individuals, on those multiple stations.

Since there are no hearings scheduled in the Pacific Northwest, it's worth mentioning that in 1998, Viacom dismantled news operations at KSTW, one of its Seattle stations, saying that "there is more than enough news programming" in the market. A little more than a year ago, Viacom announced that KSTW (a UPN affiliate) would begin airing newscasts produced by KIRO-TV, the CBS affiliate in Seattle. Although a separate company owns each station, the affiliated stations' networks are commonly owned. Rather than resume providing its own newscast that would be independent of and compete with other outlets in the market. Viacom has determined to maximize its profit margin by re-broadcasting content that is already available on Seattle airwayes.

It is also worth noting that to the extent public affairs programming is categorized by the FCC as "community-responsive", the complete dearth of such programming absent a regulatory requirement illustrates the failure of a voluntary system.

Artistic Localism – How to Become a Rock Star: Although the subject of testimony in San Antonio, AFTRA also is deeply concerned about the effect of media consolidation on the thousands of sound recording artists we represent. Consolidation has denied local artists and local music access to their local airwayes. Why?

Start with the premise that there are really no local airwaves left. Radio station groups have centralized their decision-making about playlists and which new songs to add to the playlist. These centralized playlists have reduced the local flavor and limited the diversity of music played on radio. Most of the "American" sounds we love actually started as regional sounds -- the Detroit sound, the Philly sound, the Seattle sound. With homogenized and nationalized decision making, local sounds no longer have an opportunity to reach even their own local airwaves let alone use local airplay to break out to a national audience.

Radio ownership consolidation has exacerbated problems with payola – payments from independent radio promoters to stations - as many group owners now establish <u>exclusive</u> arrangements with independent promoters. Thus, record companies and artists must pay the station's exclusive independent promoter, often located out of town, if they want to be considered for airplay.

In addition, the nature of the holdings of radio station owners has resulted in yet another type of payola. Because these vertically integrated corporations also hold interests in promotion companies and concert venues, artists are often pressured to appear at company venues or use the services of a company-owned concert promotion entities, not to mention perform free concerts for the radio station, if they want their recordings to get airplay. We urge the FCC to examine fully this issue and ensure that radio stations may not use the ability to receive airplay as leverage to force artists to use the station owner's other businesses.

Finally, rampant ownership consolidation of commercial radio has lead to a reduction in radio play for musical genres like classical, jazz, opera, bluegrass and other smaller formats.

Solutions – such as low power radio – must be sought if we are to preserve diverse options for artists and the public.

It is important to note that ongoing FCC initiatives, such as the examination of the transformation of the terrestrial broadcast from an analog to a digital service, simply cannot be considered in a vacuum, but rather must be viewed in the context of this well-documented environment of extreme consolidation. Localism, Competition and Diversity are essential policy goals that must be at the forefront of discourse surrounding any and all expanded rights sought by the broadcast industry. At a minimum, the FCC must address and reconcile the incumbent broadcasters' questionable records in fulfilling these traditional regulatory goals before granting further accommodations. Such fair standards can only be developed with active participation from all of the various stakeholder communities who have legitimate interests in the future of this valuable public resource. AFTRA remains committed to full participation in that discussion.

STATEMENT OF HARRY J. PAPPAS CHAIRMAN AND CEO OF PAPPAS TELECASTING COMPANIES

Commissioners, fellow panelists, distinguished guests and members of the public: Good evening. I am pleased to appear before you today as a broadcaster who just celebrated his fortieth anniversary in this great industry -- but also as a concerned citizen who believes that localism, one of the cornerstones of free over-the-air broadcasting, is increasingly quite endangered.

l commend the Commission for holding these hearings around the country, and for issuing a Notice of Inquiry earlier this month seeking public comment on how broadcasters can better serve their local communities, and what regulatory measures are required to ensure that we are able to do so without improper restraint by those who are not licensed to serve a local market.

It is timely that this hearing takes place against the backdrop of the public outcry against certain media consolidation that greeted the FCC's June 2003 media ownership order. The public has a legitimate concern that localism and diversity would be threatened by increased network dominance of over-the-air television. The public senses that the increase in profanity and indecency on television has occurred as a consequence of such increased dominance in the last 15 years. I think there is reason for such concern. Here's why.

Free over-the-air broadcasting is the means by which we are bound together as a nation. It is our national public space and a symbol of our democracy. In authorizing local broadcast stations, Congress gave them a special mandate to serve "local" communities, and indeed the network-affiliate relationship reflects in a significant sense the principles of federalism on which this nation is founded.

The Commission has consistently reaffirmed the obligation of broadcast licensees to air programming that is responsive to the interests and needs of the diverse local communities we are privileged to serve. Indeed, the Communications Act specifically grants local broadcasters the right to reject or pre-empt network programming. And, as I think the recent hearings in Congress on broadcast indecency reflect, local broadcasters can also be the best defense against indecent and profane network program content.

However, our ability to discharge that statutory duty to program in the interests of our local viewers is limited by certain Big Four network practices. This tension between the law and the true realities of the network-affiliate relationship has been clearly outlined by the Network Affiliated Stations Alliance in its petition filed before the Federal Communications Commission in March of 2001. Today, local affiliates have been virtually stripped of any right to receive network programming in advance and to evaluate its content. An affiliate is now asked to pay compensation, and even risks losing its affiliation, if it preempts more than a specified number of hours of Big Four network programming. And as the result of unduly relaxed federal oversight, the Big Four networks are in a position to effectively deny local stations the ability to reject network programs that may simply be unsuitable for their markets, or to substitute programs of greater local interest or importance.

Lastly, certain Big Four networks now seek complete control over all of their local affiliates' digital spectrum by seeking to require them to carry unspecified digital content in violation of the FCC's option time rules. Unfortunately, unless the Commission and we forthrightly reverse this trend, local stations will become mere passive network conduits for national network programs to the great detriment of our local viewers -- and our democracy.

The bottom line is this: localism depends on a balanced network-affiliate relationship. Localism will not survive unless the proper parameters of that relationship are restored by prompt affirmative action by this Commission. Localism also depends on the continued viability and robustness of free over-the-air television. The simple truth is that Americans are increasingly being made to pay for what Americans got for free twenty years ago. For example, in the 1960's, the National Football League promised that if it were given antitrust immunity it would not go to pay TV. Decades ago, the public was assured that collegiate sports would primarily be on free over the air TV. When the Commission repealed the anti-sports siphoning rules, it was warned of the consequences. Now, much of college sports is on pay TV.

Third, the repeal of the financial interest in syndication – or fin-syn – rules has effectively strangled independent television production. The repeal of fin-syn, together with the Commission's unwillingness to enforce its network affiliation rules for much of the last decade and a half, have effectively assured that independently produced programming is shut out of prime time or prime access time periods.

The impact on consumers of all of this is tangible: not only are they now required to pay for a lot of popular programming that they used to get for free, but also they are deprived of the diversity in offerings that a vibrant independent production market once provided. The lowest common denominator in content which many of our viewers complain about is in part due to the development of a media oligopoly fostered by certain regulatory practices over the last 15 to 20 years. If the FCC is genuinely committed to

preserving localism, I believe that it must assure the right of local stations to truly control the programming that goes over their air, and it must assure that independent production does not disappear from television. It must also assure the continued viability of free over-the-air local broadcasting, which can not survive in an advertising-supported context if its critical mass of viewers continues to dwindle because of benign neglect by Congress and the Commission.

Why does the viability of over-the-air local stations matter to our viewers? Because, I am proud to say, broadcasters, for the very most part, have kept their promise to the American people...and, yes, to our Government. Local over-the-air stations have an unmatched record of community service and of broadcasting in the public interest. Long ago, this Commission fostered the establishment of more new stations, nearly all UHF, on the promise that it would lead to more diverse voices serving communities and greater competition and choices for America's publics. And, it worked. Our first TV station, KMPH in Visalia-Fresno, went on the air in 1971. It was the first independent station outside of the top 20 markets to launch local news... in 1979. Now we carry nearly 30 hours per week of live local news. KMPH, a Fox affiliate, and our other mature stations truly do cover matters of local interest. Today, most UHF stations that went on the air over the last four decades as struggling independents have successful daily local newscasts and regular public affairs programming.

Also, just last week, our company joined many others in our industry in announcing our Election 2004 Voter Awareness initiative, a public service campaign of enhanced candidate and issue coverage in the 30 days preceding Election Day 2004. As part of this initiative, all of Pappas Telecasting's news-producing network-affiliated stations will devote a minimum of five minutes per day to election issue and candidate coverage within their local daily newscasts.

Simply put, localism is one of the enduring pillars of broadcast regulation. It is a tribute to the genius of Congress that, in 1934, it designed a broadcast system to assure that local stations in local communities—not national network executives in Hollywood or New York—would pick the programs for those communities. That emphasis on localism and diversity is the unique character of -- and what has made -- the American broadcast system the envy of the free world. Free over-the-air local television has served communities across this country well. With your continued support, we will be continue to provide free television service that reflects the needs and interests of local communities for a long time to come. Most respectfully, I would suggest that the hour is at hand for enforcing unequivocally the ability of local broadcasters to serve their communities' tastes, needs and interests.

Thank you.